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LEAGUE OF NATIONS

ADVISORY COMMITTEE ON TRAFFIC IN OPIUM
AND OTHER DANGEROUS DRUGS

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XI. OPIUM AND OTHER
DANGEROUS DRUGS

1939. XI. 5.

EIGHTH MEETING (PUBLIC)

Held on Saturday, May 20th, 1939, at 10.30 a.m.

Chairman : Major COLES (United Kingdom).

Present : The members of the Committee and the Assessor, except the representatives of Peru and Uruguay.

1332. Examination of the Situation in the Far East.

Dr. Hoo Chi-tsai (China) made the following statement :

The situation in China varies widely according to whether the region concerned is in Japanese military occupation or not. I shall therefore divide my statement into two parts, dealing respectively with the situation in regions under the Chinese Government's control and the situation elsewhere.

Despite the war, which has profoundly affected the whole of our national life through the invasion of a large part of our territory, and aerial bombardments, which scatter death and destruction even behind the lines, the Chinese Government has persevered in its struggle against narcotics. Far from enfeebling our efforts in that field, the war has had the effect of redoubling them. Compulsory military service has been introduced in China, which makes it essential for us to fight against the abuse of drugs as the worst enemy of our national resistance. Moreover, in order to be able to carry on a protracted war of attrition, we are endeavouring to exploit all our economic potentialities, and from that standpoint one of the first needs is that the opium poppy should be supplanted by other crops ; for we do not look upon opium as an article of export or a primary necessity. Thus, not merely will the war not have retarded the execution of our six-year plan, but we hope that it will enable us to abolish the cultivation of the opium poppy and the abuse of opium more quickly than would have been possible in normal times.

The measures taken by the Chinese Government have already produced highly satisfactory results, which are confirmed by evidence from neutral official sources. I should like to quote one or two passages.

1. In the report from India on the illicit traffic in 1937, we find the following judgment : " The imports of contraband chara into the Punjab and the North West Frontier Province have diminished to a great extent on account of the prohibition imposed by the Chinese Government on cultivation of hemp plant in Central Asia and export of charas."

2. The annual report from the International Settlement at Shanghai for 1938 says : " In the last quarter of the year, the amount of heroin in circulation for local consumption dwindled almost to disappearing-point, and heroin-dens practically ceased to exist. In this connection, it is noteworthy that eighty-five addicts were arrested during the year, as compared with 329 in 1937 Fundamentally, the police owe this satisfactory improvement to the strict enforcement by the Chinese court in the Settlement of the Drugs Suppression Regulations promulgated on June 1st, 1936, which has given rise to an increasing disinclination on the part of Chinese to operate heroin-dens or to peddle the drug." Later on, the report adds : " The traffic in red pills in the Settlement, so far from being the serious problem it was in past years, has now practically disappeared. This is to be attributed to the enforcement by the Chinese court in the Settlement of the Drugs Suppression Regulations which prescribed the death penalty or life imprisonment for the manufacturers of narcotics and sentences ranging from twelve to fifteen years for the traffickers."

3. The annual report for Indo-China for 1937 states in regard to the illicit traffic in Laos that : " Infiltrations of Yunnanese opium are becoming more and more infrequent as the Yunnan Government's prohibition scheme comes into effect." Referring to the illicit traffic in Tonkin, the report says : " The passage of large consignments is no longer reported from the mountainous and sparsely populated areas : consignments are now broken up into very small portions They have decreased considerably in numbers." It also refers to " the putting into effect of the Yunnan restriction scheme " as one of the reasons for the decline of smuggling.

Thus, whether opium, heroin, red pills or Indian hemp be considered, it will be seen that the steps taken by the Chinese Government have definitely resulted in a substantial reduction in the illicit traffic. I am sure that the Committee will be glad to learn this.

The Chinese Government has not contented itself with the measures it enacted at the opening of its six-year plan. It has continually added to them, as I have had occasion to tell you at every session of the Advisory Committee. Since the Committee's last session, in June of last year, my Government has enacted further provisions, which I will briefly enumerate.

(1) On June 20th, 1938, new regulations for the organisation and operation of the Central Commission for Opium Suppression were issued. I have already informed the Advisory Committee, in my statement here last year, that this Commission, which is the central body responsible for the campaign against drugs, is now subordinate to the Ministry of the Interior.

The regulations to which I have referred determine the composition and method of work of the Commission. A translation will be sent to the Advisory Committee, together with translations of other regulations which I shall mention in a moment.

(2) On November 8th, 1938, the Executive Yuan, which is what we call our Cabinet, arrived at a number of decisions, described as "measures to strengthen the abolition policy", which may be divided into three groups:

(a) Some of these measures deal with the disintoxication of opium-addicts and other drug-addicts. It is laid down that local authorities shall increase the number of disintoxication hospitals and encourage opium-smokers to undergo treatment. "Opium-addicts' workshops" are to be established, in which poor and unemployed addicts can undergo disintoxication treatment and at the same time learn a trade.

(b) Other decisions are designed to establish stricter control over the funds allotted to local authorities for their anti-narcotic work. It is provided that commissions shall be set up to superintend the employment of those funds, so as to ensure that they are not used for any other purpose than the anti-narcotic campaign. Should the funds prove insufficient, the Central Government may make a grant in aid.

(c) The third group of decisions deals with the price of opium sold to registered smokers. To discourage illicit traffic, the price of such opium is not allowed to exceed the prices ruling on November 7th, 1938. For that purpose, the local authorities must report to the Central Government the prices obtaining for opium in their respective areas on November 7th.

(3) These decisions of the Executive Yuan were followed by the issue of regulations for their execution:

(a) *Regulations for the Establishment of Opium-Addicts' Workshops in Provinces, Municipalities and Districts.* These regulations provide that poor and unemployed opium-addicts who have been or are to be disintoxicated shall be housed, fed and treated in the workshops. They will undergo a course of physical culture and a course of moral rehabilitation. They will learn to make various articles out of the raw materials produced locally. These articles must be such as can find a ready sale in the neighbourhood. The period spent in the workshops will be from three to six months.

(b) *Regulations for the Control of the Special Funds allotted to Provinces, Municipalities, and Districts for the Suppression of Opium.* These regulations contain instructions for the composition and working of the provincial, municipal and district commissions which will in future be set up to superintend the employment of the funds for the suppression of opium. The funds in question are derived from a percentage levy on the proceeds of various permits issued for the use of opium, and from fines imposed and property confiscated for offences against the anti-opium laws. These funds are to be devoted exclusively to the anti-drug campaign, in the form of grants to disintoxication hospitals, grants to opium-addicts' workshops, etc. The same regulations also embody instructions for drawing up the budget of these funds, and establish supervision by the Central Government.

As regards the cultivation of the opium poppy, you will see from Table 16 of China's annual report¹ that it has been gradually reduced since the adoption of the six-year plan.

The opium poppy has been replaced, in different areas, by other crops such as cotton, cereals, vegetables, hemp, tea, fruit-trees, tobacco, wood-oil trees or sugar-cane. Under the six-year plan, all opium-poppy cultivation was due to terminate in 1940. Thanks, however, to the satisfactory results already obtained, the Chinese Government has now decreed that all opium-poppy cultivation should cease as from the end of 1939, and we hope that this date will not have to be postponed. The Chinese Government has also decided that in all those areas recovered from the enemy, in which the latter has permitted opium-poppy cultivation, such cultivation shall be prohibited forthwith. As in the past, inspectors will be sent to all places where cultivation has been prohibited, to satisfy themselves that no clandestine cultivation is being carried on. The progress achieved by the Chinese Government in its endeavours to suppress poppy cultivation is definitely encouraging, and constitutes an absolute proof that, if tackled with determination, the problem is not beyond solution. Fortunately, those provinces which have hitherto been the greatest opium-producers to the south of the Great Wall have not been occupied by the enemy; and consequently it has been possible in those provinces to apply the plans for the suppression of opium-poppy cultivation according to schedule, and, in fact, even more rapidly than had been anticipated.

While endeavouring to reduce opium cultivation and production, the Chinese Government has spared no effort to cut down the number of opium-smokers, particularly of those under 45 years of age; and it hopes to be in a position to prohibit opium-smoking completely as from 1941. Smokers from areas occupied by the Japanese, or in areas recovered from the enemy, will be registered, and will have to undergo disintoxication treatment as quickly as possible.

The main difficulty at the present moment is not the suppression of poppy cultivation, or even the prevention of clandestine drug-manufacture, but the disintoxication of opium-smokers. That is why the Executive Yuan made the decisions I mentioned to you, the object of which is to increase the number of disintoxicated smokers as quickly as possible. The

¹ Document C.127.M.79.1939.XI, page 26.

associated with each other, but it has been left to the Japanese to find a way of making a pestilence pay for war ”.

Is it surprising that in such circumstances the ravages of drugs are decimating the Chinese people, to whom the Japanese military say they are bringing “ order and peace ” and “ the benefits of friendly collaboration ” ? It is difficult to estimate the number of opium-addicts in the occupied areas ; but there can be no question but that in those areas, including Manchuria and Jehol, never at any time in their history has the situation been so revolting, never has the percentage of opium-addicts and other drug-addicts been so high, as since they have been occupied by the Japanese troops. It is equally beyond question that no such situation exists, or ever has existed, anywhere else in the world. The Chinese people are not alone in suffering the nefarious consequences of the situation in the occupied areas. The Seizures Sub-Committee has evidence that the opium and drugs produced under the auspices of the Japanese authorities in China are feeding the international traffic and crossing the seas to poison other countries as well. The Advisory Committee is too familiar with this aspect of the problem for me to need to expatiate upon it.

The situation is so grave that I feel sure that this Committee will discuss it even in the absence of the representative of Japan. In any case, his presence could have done nothing whatever to improve the position. We know all too well the value of the assurances, promises and denials that representatives of Japan have repeatedly given to this Committee : they have never been followed by any effective co-operation on the part of the Japanese Government. That being so, the important thing for this Committee is not the presence of an unhappy, powerless Japanese representative, but a public debate that will let the whole world know what are the facts of the case and who are the parties really responsible. The only way in which a worldwide menace can be resisted is by thus arousing worldwide public opinion against it.

Mr. FULLER (United States of America) made the following statement :

Perusal of the Chinese Annual Report for 1937 leads me to believe that the members of the Committee will agree with me that the Chinese Government deserves great credit for having compiled, in the circumstances at present existing in China, a report as complete and as informative as this one.

We in the United States have practically no new information in regard to the narcotics situation in the areas of China under the control of the Chinese National Government. It may be mentioned, however, that on December 6th, 1938, the Executive Yuan of the National Government passed regulations looking towards the eradication of the cultivation of the opium poppy and the smoking of opium in Szechwan province within a period of two years. I also have information that the Chinese National Government has issued a circular order to various provinces and cities in regard to the methods to be employed for the amelioration of the registered opium addicts in different periods. This order provides in part that those whose age is under 60 are required to have their smoking habit cured by the end of June 1940, after which no new smoking-licences shall be issued, and all registered addicts exceeding 60 years of age are required to break their habit before the end of the year 1940, when their smoking-licences will be cancelled.

In the Japanese-controlled areas of China, so great had been the increase in drug addiction during the past year that enormous quantities of Iranian opium have been imported into China to satisfy that addiction. The movements of opium and heroin into the Japanese-controlled areas have been made with as much secrecy as possible. Information in regard to the shipments has been most difficult to obtain and to verify. Nevertheless, it has been possible to ascertain the essential facts concerning the traffic in narcotics in China, which I shall endeavour to set before you to-day.

With your indulgence, I shall first briefly summarise the information which I presented here last year in my statements of June 13th and 21st, 1938, in regard to the traffic in narcotic drugs in Manchuria and Jehol and in other parts of China in 1937 and 1938, in which I stressed the following points :

1. With regard to Manchuria and Jehol, there had been no real or effective improvement during the preceding year in the conditions obtaining in respect of addiction, illicit import, illicit traffic or opium production.

2. In China between the Yellow River and the Great Wall, which has for some time past been controlled by the Japanese northern army, conditions were worse than they were the year before. Legal control lapsed in August 1937, and the illicit traffic increased. The Peiping “ Provisional Government ” took a hand in the narcotics situation soon after the establishment of that regime. By its Order No. 33 of February 24th, 1938, it rescinded the Chinese Central Government’s provisional anti-opium and anti-narcotic laws and regulations ; and all persons who were being detained under those laws and regulations were promptly released from custody. The narcotics situation had become progressively worse.

3. In a period of fifteen months, 650 kilogrammes of heroin had been exported to the United States from the Japanese Concession in Tientsin by one group operating in this trade there. This amount was sufficient, as you will recall, to supply some 10,000 addicts for a year.

4. In Shanghai, control appeared to have broken down completely, except in the French Concession and in the International Settlement.

5. Huge quantities of Iranian opium were reliably reported to have arrived in North China, in Shanghai and in South China, consigned to Japanese firms and intended, in some instances, for Japanese army officers, while further large consignments were *en route* to those destinations under similar auspices, and still others were on order.

In those statements, I suggested that the Japanese representative ask his Government to investigate and report under the terms of Article 23 of the Convention of 1931 for limiting the Manufacture and regulating the Distribution of Narcotic Drugs on the facts therein brought to light. I regret to have to state that the Japanese Government has not yet submitted a report.

Since last June, the American Government has continued to receive from official sources additional alarming information in regard to the traffic in narcotic drugs in those parts of China controlled by Japan, as follows.

Manchuria and Jehol.

The Director of the Opium Section of the Municipality of Harbin informed the Press on May 4th, 1938, that the number of *unlicensed* opium-dens in the city of Harbin was estimated at about 1,000, as against seventy-six that were licensed.

The authorities in Pinkiang province (in which Harbin is located) estimated in June 1938 that in the province there were approximately 2,000 Japanese and Koreans addicted to opium, morphine or heroin.

The Dairen newspaper *Manchu Nichinichi*, on November 27th, 1938, reported that, in Dairen city alone, there were more than 1,000 Japanese men and women addicts, among whom are servants, geishas, housewives, clerks, salaried men and business men—in fact, people from all classes; that the cure of these people was a problem of no small proportions; and that it had been decided to draw up a "black list" of such addicts and to proceed with their cure as they came to hand. M. Sakui, Chief of the Sanatorium, was reported by the *Manchu Nichinichi* to have declared:

"Recently the number of addicts has again shown an increasing tendency. Especially notable is the fact that, in Dairen alone, the number of Japanese addicts has increased to over 1,000, whose broken bodies seen stretched out in the back alleys are a reproach to our country in these times of stress."

The Opium Administration Section of the Department of People's Welfare of "Manchukuo" announced on August 23rd, 1938, that reports received from provinces and cities, in connection with the ten-year anti-opium campaign, showed that the total number of registered addicts in Manchuria and Jehol was 585,267.

The figures published in the *Sheng Ching Shih Pao* on December 21st, 1938, show that, between January 1st and November 1st, 1938, the bodies of 793 drug addicts were picked up in the streets of Mukden.

Owing to floods and other adverse conditions, the production of opium in Jehol during the year 1938 declined to 6,400,000 ounces (181,818 kilogrammes) according to a Chengte despatch to the *Sheng Ching Shih Pao* published on December 4th, 1938.

Information has come to me indicating that the Mitsubishi Company has been requested, in instructions issued from Tokio, to purchase in Iran 260 chests (18,907 kilogrammes) of Iranian opium to meet demands in Kwantung Leased Territory in addition to the 1,500 chests (109,080 kilogrammes) of Iranian opium which, it is reported, are being purchased this year by the "Manchukuo" regime, the two amounts to be imported in one shipment.

The Department of Finance and Commerce, People's Welfare and Industry, on January 1st, 1939, issued new regulations relating to the collection of opium in Jehol and Hsingan West provinces. I am informed that these new regulations are incidental to the contemplated enforcement, in June 1939, of a rise in the price of opium designed to increase revenue from this source by 3,200,000 yuan. In this connection, the Harbin Press has announced that the 1939 Special Budget for Opium Administration in Pinkiang Province amounts to 20,000,000 yuan, which represents an increase of 50% over the 1938 budget.

The general budget of "Manchukuo" for the year 1939, as translated from the text published in the *Manchukuo Government Gazette*, extra issue, December 23rd, 1938, discloses that the estimates for 1939 anticipate that receipts from the sales by the opium monopoly will increase from the estimated MY71,045,200 in 1938 to MY90,908,400, an increase of 28%, and that the cost of raw opium purchased by the monopoly this year will be MY43,470,000 as compared with MY32,653,000 for 1938, an increase of 33.1%. These budget figures do not indicate that any serious effort is being made to eradicate the opium evil in "Manchukuo". The sale of opium is still the second largest revenue producer for "Manchukuo", being exceeded only by the receipts from Customs.

It is interesting to note that the representatives of the Chosen Government-General and of the "Manchukuo" regime, who met in conference at Hsinking on December 5th, 1938, are reported (document O.C.1564(j)) to have passed resolutions recognising the existence of illicit cultivation of the poppy in Manchuria, the smuggling of opium from Korea and the clandestine manufacture of morphine in poppy-growing districts.

direction to suppress the traffic in narcotics in the areas controlled by them ; and that, in fact, there is considerable evidence to show that many Japanese are deeply involved in the importing and sale of opium, heroin and other derivatives, including—according to some authorities on the subject—a group within the Special Affairs Organ of the Japanese military.

The alarming description given by Mr. Alcott of conditions in the Shanghai area is in large measure substantiated by information received from other reliable sources.

It is reliably reported that a big narcotic factory is to be established in Shanghai in the near future under the auspices of the well-known Takechio Drug Manufactures of Osaka, Japan, for the purpose of meeting " the scientific and medical requirements of China for narcotic drugs ".

In addition to the 300 chests (21,816 kilogrammes) of Iranian opium which I reported last June as having arrived at Shanghai on April 22nd, 1938, I have to report further that a shipment of 820 chests (59,630 kilogrammes), said to have arrived at Macao between June 25th and 26th, 1938, was subsequently reported to have been carried to Shanghai in a Japanese vessel ; that, on September 21st, the Japanese steamship *Tongshan Maru* arrived at Shanghai from Taku and unloaded 600 bags of Jehol opium, which were transferred to Hongkew for transshipment to Nanking ; that Japanese transport No. 688 was reported to have unloaded at Wayside Wharf on October 24th 300 chests (21,816 kilogrammes) of opium which were transported to the Civic Centre at Shanghai ; that, on September 25th, the steamship *Shiangpao Maru* arrived at Shanghai and unloaded 15 chests of opium (1,087.8 kilogrammes) and 9 cases of heroin, each weighing nine catties (5 kg. 454), this cargo being removed to the Kungdah silk-spinning factory on Singapore Road ; that the steamship *Akagisan Maru*, which left Bushire on December 2nd, 1938, with 972 chests of Iranian opium destined for Macao, was reported to have proceeded from Macao to Shanghai and to have discharged there on or about January 27th, 1939, 600 chests (43,632 kilogrammes) of opium, which were said to have been transferred to the warehouse of Mitsui Bussan Kaisha in the International Settlement ; and that on February 23rd and 26th, 1939, respectively, the steamship *Tongshan Maru* and the steamship *Zinyu Maru No. 3* arrived at Shanghai with cargoes of 2,900 chests (212,888 kilogrammes) and 800 chests (56,176 kilogrammes) respectively, totalling 3,700 chests (269,064 kilogrammes) of Iranian opium from Dairen, where the opium had been repacked in kerosene tins.

At the end of December 1938, it was estimated that the amount of opium consumed daily in Shanghai was approximately 5,000 taels, of which 2,000 taels were Iranian opium.

It was reported that, in February 1939, opium and narcotics continued to be sold freely in the areas immediately adjacent to the International Settlement and French Concession and in all the larger cities under Japanese control in the provinces of Kiangsu, Anhwei and Chekiang. There were no indications that the Japanese or their sponsored regimes were attempting to suppress this growing traffic.

In connection with the situation existing at Shanghai, I desire to draw attention to the continuing disparity in the punishment imposed upon narcotics offenders by the Japanese and Chinese courts in Shanghai, respectively. This may be illustrated by the following specific cases. One Tetsuzo Yanagawa, Japanese, who was arrested in Shanghai on April 12th, 1938, in possession of 25 ounces (710 grammes) of heroin, made a statement to the effect that she purchased the package in Nagasaki, Japan, with the intention of selling it in Shanghai at a substantial profit. She arrived in Shanghai with the drug in her possession on April 7th, 1938, aboard the steamship *Nagasaki Maru*. She was fined 30 yen (27 Swiss gold francs) in the Japanese consular court on May 26th, 1938, on a charge of attempting to sell 25 ounces of heroin.

On the other hand, on April 22nd, 1938, one Dong Ts Lien, Chinese, was arrested in Shanghai in possession of 25 ounces (710 grammes) of heroin of Japanese manufacture. On May 7th, 1938, he was sentenced in the Shanghai Special District Court to life imprisonment for being found in possession of heroin with intent to sell.

Hankow.

I have information that the regime sponsored by the Japanese at Hankow has instituted narcotics regulations designed (1) to obtain revenue, and (2) to facilitate the consumption of opium and other narcotic drugs by Chinese.

The sale of opium under the auspices of the Opium Suppression Bureau, a branch of the Wuhan Peace Maintenance Association, was commenced at Hankow during January 1939. On January 28th, 1939, the *Wuhan Pao* published regulations governing the sale and smoking of opium in Wuhan. All authority for the issuance of licences to opium dealers, retailers and smokers is vested in the Bureau. There appears to be no limit to the number of dealers who may be licensed. According to reports from fairly responsible sources, a large number of places both for the sale and smoking of opium have been opened in the so-called Chinese Section of Hankow (refugee zone and adjoining sections).

It has been reported to me that the number of registered opium dens in Hankow increased from seventy in January 1939 to more than 400 at the end of March 1939 licensed by the Japanese-sponsored Government, that, early in March 1939, the Mitsui Bussan Kaisha, which, apparently with the sanction of the Japanese military, has a monopoly of the opium traffic in the Wuhan district, and which supplies the Chinese wholesale dealers who operate under the control of the Wuhan Peace Maintenance Society sponsored by the Japanese, imported into Wuhan via Shanghai a shipment estimated at over 100 piculs (13,333 lb.) of Manchurian opium, 15 piculs (667 lb.) of which are reported to have been taken by the local wholesale